

EXHIBIT “B”

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

Kirtley
RECEIVED
AUG 25 2010
PUBLIC SERVICE
COMMISSION

In the Matter of:

BULLOCK PEN WATER DISTRICT

CASE NO. 2010-

00343

**APPLICATION FOR APPROVAL OF AGREEMENT AND
DEVIATION FROM 807 KAR 5:006 § 14**

Comes now the Applicant, Bullock Pen Water District ("District"), by and through its Chairman, Bobby Burgess, and for its Application seeking approval of a Water Shut Off Agreement and deviation from 807 KAR 5:006 § 14 states as follows:

1. The District is a regulated Water District organized under the provisions of KRS Chapter 74.
2. Ridgelea Investments, Inc. ("Ridgelea") owns and operates a package sanitary sewer treatment plant which provides sanitary sewer services to Grantland Estates Subdivision, Dry Ridge, Grant County, Kentucky ("Grandland Estates"). Grantland Estates consists of approximately 180 single family residences.
3. Grantland Estates is located within the approved jurisdiction of the District and receives water service from the District. Grantland Estates is a residential subdivision that receives sanitary sewer services from an on-site package treatment plant. The sewer plant is owned and operated by Ridgelea. All operational funding for the sewer plant is received from Grantland Estates residents' monthly sanitary sewer charges assessed and collected by Ridgelea.
4. By Water Shut Off Agreement ("Agreement") dated July 22, 2010 (Exhibit "A"), the District and Ridgelea entered into an Agreement whereby the District, among other services, has agreed to disconnect water service to residents of Grantland Estates in those instances where

residents are delinquent in the payment of fees and charges assessed by Ridgelea for sanitary sewer services.

5. Upon information and belief, Ridgelea is a regulated sanitary sewer service entity of the Kentucky Public Service Commission ("Commission").

6. The District and Ridgelea would request of the Commission for a deviation from those regulations set forth in 807 KAR 5:006 § 14(1) thereby allowing the District to disconnect water service to residents of Grantland Estates serviced by Ridgelea in those instances where a resident fails to pay for sanitary sewer service charges assessed Ridgelea.

7. Due to the very nature of sanitary sewer services provided to residents of Grantland Estates, such sanitary sewer service cannot be easily disconnected in those instances where residents are not paying their monthly sewer payments. As recognized by the Commission, "there is no switch to pull or valve to turn to disconnect service. The delinquent customer's sewer line must be plugged or water service must be disconnected. Plugging a sewer line is costly and not usually environmentally sound. It imposes a disproportionate hardship on the customer. Once the sewer line is dug up and unplugged, the residence is rendered unfit for habitation".

8. The Agreement entered into between Ridgelea and the District allows the District to disconnect water service to those residents of Grantland Estates who are delinquent in the payment of their sanitary sewer service charges to Ridgelea. Pursuant to ¶ 2 of the Agreement, water service may only be discontinued by the District in those instances where Ridgelea has certified to the District that all appropriate statutory and/or regulatory notices have been given by Ridgelea to the delinquent customer and that the discontinuation of water service is appropriate. Both Ridgelea and the District have agreed that all statutory and/or regulatory rules,

regulations and requirements for the termination of water service may only be completed when the appropriate termination notices have been provided which shall include but not be limited to those notices as set forth in 807 KAR 5:006 § 13(5); and § 14(a).

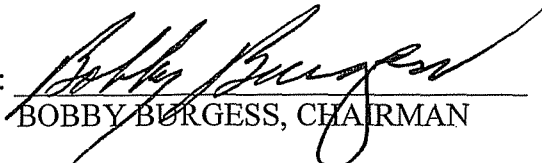
9. The District submits a Revised Tariff as attached hereto and identified as Exhibit "B". The revised Tariff (Exhibit "B") shall supplement the existing approved Tariff of the District.

10. Ridgelea has represented to the District that a significant number of its customers receiving sanitary sewer services are not paying monthly sanitary sewer fees. As a result, Ridgelea is unable to generate sufficient income to adequately provide for the day-to-day operation of its sanitary sewer plant. The District has been informed that in at least one instance, a resident in Grantland Estates has a delinquent account balance for sanitary sewer services in excess of \$3,000.00. Unless the Commission allows the District to terminate water service for non-payment of sanitary sewer services, Ridgelea will be at a severe disadvantage and suffer irreparably due to its inability to timely receive fees and charges for sanitary sewer services rendered.

WHEREFORE, the District prays as follows:

- A. That the Water Shut Off Agreement between Ridgelea and the District be approved;
- B. That the District's revised Tariff as attached be approved;
- C. That the District be granted deviation from 807 KAR 5:006 § 14;
- D. For any and all other relief to which the District may appear entitled.

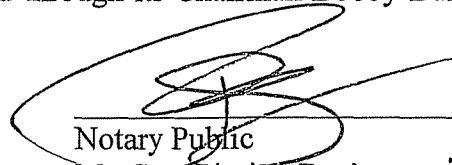
BULLOCK PEN WATER DISTRICT

BY: 
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said
BULLOCK PEN WATER DISTRICT, by and through its Chairman Bobby Burgess, this 19
day of August, 2010.


Notary Public
My Commission Expires: 3/24/12

Respectfully submitted,

BERGER, COX & NIENABER, P.S.C.

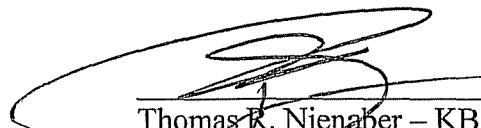

Thomas R. Nienaber – KBA#51820
401 Madison Avenue
Covington, KY 41011
(859) 491-9088

EXHIBIT “A”